

**Certification by Administrative Authority to Billed Entity of  
Compliance with Children’s Internet Protection Form (Form 479);  
Receipt of Service Confirmation and Certification of Compliance  
with Children’s Internet Protection Form (Form 486); Funding  
Commitment Adjustment Request Form (Form 500)**

**3060-0853  
December 2016**

**Supporting Statement**

This submission is being made pursuant to 44 U.S.C. § 3507 of the Paperwork Reduction Act of 1995 to obtain the Office of Management and Budget (OMB) approval to revise existing collection 3060-0853 as a result of a recent order as explained below.

**A. Justification:**

1. *Circumstances that make the collection necessary.* The Communications Act of 1934, as amended by the Telecommunications Act of 1996 (Act), directed the Commission to take steps necessary to establish support mechanisms to ensure the delivery of affordable telecommunications service for all Americans, including consumers in high cost areas, low-income consumers, rural health care providers, and eligible schools and libraries. Section 254(h) of the Act, as implemented by the Commission in its *Universal Service Order* (CC Docket No. 96-45, FCC 97-157), established, *inter alia*, the federal universal service support mechanism for schools and libraries (E-rate program).

Eligible school and library applicants, and consortia of these entities can seek E-rate discounts for eligible services on an annual basis. According to the Commission’s rules, a “consortium” is any local, statewide, regional, or interstate cooperative association of schools and/or libraries eligible for E-rate support that seeks competitive bids for eligible services or funding for eligible services on behalf of some or all of its members. Eligible entities commence the application process by first seeking bids for eligible services by filing the FCC Form 470 (approved under OMB Control No. 3060-0806) with the Universal Service Administrative Company (USAC or Administrator), current administrator of the E-rate program. After entering into agreements for services, applicants may seek funding for such services by filing an FCC Form 471 (approved under OMB Control No. 3060-0806) application, once the application window opens.

After USAC approves applications for services and commits funding, school and library applicants use FCC Form 486 to notify USAC of their service start dates for their funding requests. Universal service support will not be paid on an approved funding commitment prior to receipt of the FCC Form 486.

Billed entities also use FCC Form 486 to certify compliance with the Children’s Internet Protection Act (CIPA), 47 U.S.C. § 254 (h) and (l) when they seek discounts for Internet Access in Category One, and Broadband Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Broadband Internal Connections in Category Two. Consortium members use FCC Form 479 to certify that they are compliant with CIPA. CIPA compliance is a necessary prerequisite to invoicing and payment. CIPA provides that schools and libraries that have computers with Internet access must certify that they have in place certain Internet safety policies and technology protection measures in order to be eligible to receive program services under section 254(h) of the Communications Act of 1934 (the Act), as amended. *See* 47 CFR § 54.520.

FCC Form 500 is used by E-rate participants to make adjustments to previously filed forms, such as changing the contract expiration date filed with the FCC Form 471, changing the funding year service start date filed with the FCC Form 486, cancelling or reducing the amount of funding commitments, extending the deadline for non-recurring services, and notifying USAC of equipment transfers.

On July 23, 2014, the Commission released an Order and FNPRM (WC Docket No. 13-184, FCC 14-99; 79 FR 49160, August 19, 2014) (*E-rate Modernization Order*) modernizing the E-rate program. Specifically, the *E-rate Modernization Order* adopted new rules and procedures to reorient the E-rate program to focus support on high-speed broadband for schools and libraries while also taking steps to streamline the program.

The Commission now seeks approval to revise OMB 3060-0853 to conform this information collection to changes implemented in the *E-rate Modernization Order*. The FCC Form 486 has been transitioned to an online platform for funding year 2016 and later. The current version of the FCC Form 486 and instructions will continue to be used for requests for funding year 2015 and earlier to enable participants in the program to certify that they are in compliance with CIPA when they seek discounts for Internet access, internal connections and basic maintenance of internal connections for those funding years. This form for these older funding years will not be available in USAC's online platform but will be available on USAC's website. Because the technology plan certification was required on the FCC Form 486 for funding year 2014 and earlier but was not required for funding year 2015, there will be special instructions for filers of the existing version of the FCC Form 486. The FCC Form 500 is being transitioned to an online platform for funding year 2016 and later. Like the FCC Form 486, the current version of the FCC Form 500 and instructions will continue to be used for funding year 2015 and earlier. It will not be integrated into the online platform but will be available from USAC's website for applicants to complete and upload into the portal. All of the forms are being updated to include the current document retention requirements.

This information collection does not affect individuals or households; thus, there are no impacts under the Privacy Act.

The statutory authority for this collection is contained in: Sections 1-4, [201-205](#), [218-220](#), [254](#), [303\(r\)](#), [403](#) and [405](#) of the Communications Act of 1934, as amended, [47 U.S.C. § 151-154](#), [201-205](#), [218-220](#), [254](#), [303\(r\)](#), [403](#) and [405](#).

*Proposed revisions to this collection:*

- Commission's rule amendments removing the technology planning requirement in sections 54.508 and 54.504 became effective September 18, 2014 [79 FR 49160]. This collection is being revised to update FCC Form 486 consistent with these rule changes.
- Section 54.516 was revised to increase the document retention period from 5 to 10 years. This rule became effective November 20, 2014 [79 FR 69057]. The forms in this collection are being updated accordingly.

FCC Form 479

This revision modifies the FCC Form 479 and instructions. The existing certification regarding recordkeeping on this form has been updated to ensure consistency with the changes in section 54.516 of the Commission's rules per the *E-rate Modernization Order*. The document retention period is being changed from 5 to 10 years.

### FCC Form 486

This revision modifies the existing recordkeeping certification on the FCC Form 486 to ensure consistency with the changes in section 54.516 of the Commission's rules per the *E-rate Modernization Order*. The revised rule requires documents to be retained for 10 years. Also, the FCC Form 486 has been updated to remove the technology plan certification for the online version of the form applicable to funding requests for funding year 2016 and later. In the *E-rate Modernization Order*, as part of its overall decision to streamline the application process and reduce applicant burdens, the Commission determined that the technology plan certification is no longer required. The online form will also ask applicants to provide a narrative to explain their choices or upload documents where applicable. For funding year 2015 and earlier, applicants will need to file the current version of the FCC Form 486 which we are also seeking to revise to include the new recordkeeping requirements. This version of the form will not be accessible through the online platform but applicants will be able to file it from USAC's website. We also seek to revise the instructions for the existing FCC Form 486 to explain the various technology plan certification requirements for different funding years.

### FCC Form 500

This revision modifies the existing recordkeeping certification to ensure consistency with the changes in section 54.516 of the Commission's rules per the *E-rate Modernization Order*. The revised rule requires documents to be retained for 10 years. The FCC Form 500 for funding year 2016 is also being transitioned to be an electronic filing only. The E-rate Modernization Order renamed the categories of services from Priority One and Priority Two, to Category One and Category Two and renamed the internal connections services. The online filing format will adapt to the changes made for these services in the E-rate Modernization Order. This requires asking for information in ways that will help USAC process the specific requests made on the FCC Form 500. Applicants will also be asked to provide narratives on this form or upload documents where applicable, *e.g.* to explain their request to extend the non-recurring services deadline where the service provider was unable to complete delivery and installation for reasons beyond the service provider's control. They will also have the option to provide an invoice number for requests to extend the non-recurring services deadline where the service provider has been unwilling to complete delivery and installation after USAC withheld payment for those services on a properly-submitted invoice for more than 60 days after submission of the invoice. Like the FCC Form 486, the current version of the FCC Form 500 and instructions will continue to be used for funding year 2015 and earlier. It will not be integrated into the online platform but will be available on USAC's website and applicants will be able to upload a completed form into the portal.

2. *Use of Information.* The purpose of this information is to ensure that schools and libraries that are eligible to receive discounted Internet Access and internal connections have in place certain Internet safety policies. Internet Access is sought in Category One, and Broadband Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Broadband Internal Connections are sought in Category Two. Applicants that seek Internet Access in Category One and any of the products or services in Category Two, must certify their compliance with CIPA. Entities receiving these services must certify, by completing FCC Form 486 (Receipt of Service Confirmation and Certification of Compliance with the Children's Internet Protection Act), that respondents are enforcing a policy of Internet safety and enforcing the operation of a technology prevention measure. Also, respondents who received a Funding Commitment Decision Letter indicating services eligible for universal service discounts must file FCC Form 486 in order to start the payment process. In addition, all members of a consortium must submit signed certifications to the Billed Entity (using FCC Form 479; Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act)

of each consortium, in language consistent with that adopted on the FCC Form 486. FCC Form 500 is used by E-rate participants to make adjustments to previously filed forms, such as changing the contract expiration date filed with the FCC Form 471, changing the funding year service start date filed with the FCC Form 486, cancelling or reducing the amount of funding commitments, requesting extensions of the deadline for non-recurring services, and notifying USAC of equipment transfers. All of the requirements contained herein are necessary to implement the congressional mandate for universal service.

3. *Use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.* The FCC Form 486 for funding year 2016 and later is accessible through USAC's online portal, and the FCC Form 500 is also being transitioned to the portal. The older versions of the FCC Form 486 and FCC Form 500 for earlier funding years will be available outside of USAC's online portal. The online implementation of the FCC Form 486 and 500 in the online portal will not, in non-material respects, resemble the templates of the forms provided with this submission. Online filing will permit applicants and service providers to be able to input data in required fields and have data auto-populated wherever possible. To reduce applicant confusion, the electronic filing process will utilize progressive disclosure wherever possible, so that an applicant will be asked to provide only information relevant to their application.

4. *Efforts to identify duplication.* There will be no duplication of information. The information sought is unique to each applicant and similar information is not already available. The Commission does not otherwise collect the information sought in this collection.

5. *Impact on small entities.* Entities directly subject to the requirements in these forms are primarily schools, libraries, school districts, and consortia comprised of schools and libraries. This information collection is designed to impose the least possible burden on the respondents while ensuring that the Administrator and the Commission have information necessary to administer and improve the E-rate program. Smaller entities may avail themselves of the new opportunities presented by the *E-rate Modernization Order* and the changes to this information collection to minimize potential burdens, such as:

- Removal of the technology plan certification from the revised FCC Form 486 for funding year 2016 and later.
- Transition to an online portal for FCC Form 486 and 500 where, wherever possible, several components of information previously collected will be generated automatically for applicants.
- Assistance with the document retention requirements because of the ability to retrieve forms that have been filed through the online portal at a later time.

6. *Consequences if information not collected.* Failing to collect the information, or collecting it less frequently, would prevent the Commission from implementing section 254 of the Act.

7. *Special circumstances.* We do not foresee any special circumstances that would cause an information collection to be conducted under extraordinary circumstances.

8. *Federal Register notice; efforts to consult with persons outside the Commission.* The Commission published a notice in the Federal Register pursuant to 5 C.F.R. § 1320.8 (d). See 81 FR 50495, dated August 1, 2016. No comments were received.

Prior to releasing the *E-rate Modernization Order*, the Commission consulted with persons outside the agency to obtain their views on how to improve and modernize the E-rate program, including representatives of schools, school districts, and libraries, state education representatives, trade associations, service providers, and other stakeholders. There was support for the changes the Commission seeks to make to this information collection.

9. *Payments or gifts to respondents.* There will be no payments or gifts to respondents.
10. *Assurances of confidentiality.* There is no assurance of confidentiality provided to respondents concerning this information collection. However, respondents may request materials or information submitted to the Commission or to the Administrator be withheld from public inspection under 47 C.F.R. § 0.459 of the FCC's rules.
11. *Questions of a sensitive nature.* There are no questions of a private or sensitive nature with respect to the information collected.
12. *Estimates of the hour burden of the collection to respondents.* The following represents the hour burden on the collections of information:

**FCC Form 479, Certification by Administrative Authority to Billed Entity of Compliance with Children's Internet Protection Act**

Administrative Authorities for Billed Entities and their consortia generally must submit signed certifications on Form 479 to the Billed Entity, or to their consortium, certifying that the Billed Entity is in compliance with CIPA. The Billed Entity is required to collect and retain copies of the signed and completed FCC Forms 479.

- (1) Number of respondents: Approximately 10,300.
- (2) Frequency of response: Annual.
- (3) Total number of responses: 10,300
- (4) Annual burden per response: 1 hour.
- (5) Total annual burden: 10,300 hours.

We estimate that it will take approximately 1 hour to fulfill this requirement and it will occur once a year for 10,300 respondents.

10,300 respondents x 1 submission x 1 hour per response = 10,300 hours

- (6) Total estimate of the in-house cost to respondents for the hour burdens for collection of information: \$412,000.

- (7) Explanation of calculation:

We estimate that this obligation will take approximately 1 hour and will occur once a year for 10,300 respondents. 10,300 (number of respondents) x 1 (number of submissions required) x 1 (hours to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour. = \$412,000.

**FCC Form 486, Receipt of Service Confirmation and Certification of Compliance with the Children's Internet Protection Act**

Billed Entities must use the Form 486 to notify USAC of their service start dates and certify CIPA compliance.

- (1) Number of respondents: Approximately 26,000.
- (2) Frequency of response: Annually and on occasion.
- (3) Total number of responses annually: 26,000.
- (4) Annual burden per response: 1 hour.
- (5) Total annual hour burden: 26,000 hours.

We estimate that this obligation will take approximately 1 hour and will occur 1 time per year for 26,000 schools and libraries.

26,000 respondents x 1 hour/response = 26,000 hours

(6) Total estimate of the in-house cost to respondents for the hour burdens for collection of information: \$1,040,000.

(7) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur approximately 1 time per year for 26,000 schools and libraries. We also know that some of the applicants may file more than once per year. 26,000 (number of respondents) x 1 (approximate number of submissions) x 1 (hours to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour = \$1,040,000.

### **FCC Form 500, Funding Commitment Adjustment Request**

Billed Entities use the FCC Form 500 to make adjustments to previously filed forms, *e.g.*, cancelling or reducing the amount of funding commitments. Although the FCC Form 500 allows several types of responses, applicants generally use the FCC Form 500 for one or more responses at a time.

- (1) Number of respondents: Approximately 6,900.
- (2) Frequency of response: On occasion.
- (3) Total number of responses annually: 6,900
- (4) Annual burden per response: 1 hour.
- (5) Total annual hour burden: 6,900 hours.

We estimate that it takes approximately 1 hour to fulfill this requirement and it will occur once a year.

6,900 respondents x 1 hour/response = 6,900 hours

(6) Total estimate of the in-house cost to respondents for the hour burdens for collection of information: \$276,000.

(7) Explanation of calculation: We estimate that this obligation will take approximately 1 hour and will occur once a year for 6,900 respondents. 6,900 (number of respondents) x 1 (number of submissions required) x 1 (hours to comply with requirements, to prepare form, including time for reading instructions) x \$40 per hour = \$276,000.

### **Maintaining and Updating the Internet Safety Policy**

School and library applicants must maintain Internet safety policies, may update them as necessary, and provide to the Commission, or the Administrator, upon request, copies of the

Internet safety policies that are adopted pursuant to section 254(l) of the Act. The number of estimated respondents reported in the last revision was overstated and we have reduced this number for the present collection.

- (1) Number of respondents: Approximately 20,500.
- (2) Frequency of response: On occasion.
- (3) Total number of responses: 20,500.
- (4) Annual burden per response: .75 hours.
- (5) Total annual hour burden: 15,375 hours.

We estimate that it will take 0.75 hours to comply with this requirement and it will occur once a year.

20,500 respondents x .75 hours/response = 15,375 hours

- (6) Total estimate of the in-house cost to respondents for the hour burdens for collection of information: \$615,000.

(7) Explanation of calculation: We estimate that this obligation will take approximately 0.75 hours and will occur approximately once a year for 20,500 respondents. 20,500 (number of respondents) x 1 (number of submissions required) x .75 (hours to comply with requirements and/or update or supply Internet safety policies) x \$40 per hour = \$615,000.

#### **Summary of Estimated Total Annual Burden Hours:**

**Total Number of Respondents** = 10,300 + 26,000 + 6,900 + 20,500 = **63,700 Respondents**

**Total Number of Responses** = 10,300 + 26,000 + 6,900 + 20,500 = **63,700 Responses**

**Total Annual Burden** = 10,300 + 26,000 + 6,900 + 15,375 = **58,575 Hours**

**Total In-House Cost to the Respondent: \$412,000 + \$1,040,000+ \$276,000 +\$615,000 = \$2,343,000**

13. (1) Total capital start-up costs component annualized over its expected useful life: \$0. The collections will not require the purchase of additional equipment.

(2) Total operation and maintenance and purchase of service component: \$0. The collections will not result in additional operation or maintenance expenses.

14. *Estimates of the cost burden to the Commission.* There will be few, if any additional costs to the Commission because notice, enforcement, and policy analysis associated with the Universal Service Fund are already part of the Commission's duties. Moreover, there will be minimal cost to the Federal government because a third party (USAC) administers the E-rate program.

15. *Program changes or adjustments.* The Commission is reporting program changes/decreases to this information collection.

There are program changes/decrease to the number of respondents by -12,500, total annual responses by -12,500 and total annual burden hours by -35,200 which are due to the impact of the removal of the technology plan certification on the FCC Form 486 for funding year 2016 and later and the new availability of the FCC Forms 486 and 500 through an online platform.

Also, the Commission is reporting adjustments/decreases to this information collection. These adjustments/decreases are to the number of respondents by -14,500, total annual responses by -14,500 and total annual burden hours by -10,875; these were overstated in the Commission's previous submissions to OMB.

16. *Collections of information whose results will be published.* Non-proprietary information will be made publicly available for the benefit of all interested parties.

17. *Display of expiration date for OMB approval of information collection.* The Commission seeks continued approval to not display the expiration date for OMB approval of this information collection. The Commission will use an edition date in lieu of the OMB expiration date. This will prevent the Commission from having to repeatedly update the expiration date on the forms each time this collection is submitted to OMB for review and approval. The Commission publishes a list of all OMB-approved information collections in 47 C.F.R. § 0.408 of the Commission's rules.

18. Exceptions to certification statement for Paperwork Reduction Act Submissions. When the 60 Day notice was published in the Federal Register on August 1, 2016 (81 FR 50495), the Commission inadvertently stated the number of responses as 58,575. Also, the Commission omitted the recordkeeping requirement in the 60 Day notice. These adjustments have been corrected in the 30 Day Notice and are reflected in this submission to OMB. There are no other exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods:**

The Commission does not anticipate that the collection of information will employ statistical methods.